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SUBJECT: ROMANIA: OPPOSITION PSD SURPRISED BY ELECTING
VICTOR PONTA AS NEW LEADER

Classified By: CDA JERI GUTHRIE-CORN FOR REASONS 1.4 (B) and (D)

¶1. (C) SUMMARY. In a marathon extraordinary party convention February 20 that finally ended after 3:30 Sunday morning, Challenger Victor Ponta, 37, defeated incumbent chairman Mircea Geoana in elections to the Social Democratic Party (PSD) national chairmanship. The all-day event, carried live on one major cable channel and covered extensively by others, left unaddressed programmatic issues such as the party platform, statutes, and future strategy. PSD hopes to recover its status as the most powerful party in Romania and regain control of the government, but the new leader faces a daunting task. Ponta's support from the party old guard, whom Geoana had defied, raises questions about the chance for real reform. The party's internal strategic alliances are unlikely to see major changes any time soon. END SUMMARY.

ANTI-GEOANA COALITION FORMS

¶2. (C) Incumbent Mircea Geoana was in a weak position entering the convention after PSD had lost five consecutive national polls under his leadership, but he could not ignore public calls for "snap" leadership elections by former President Iliescu, former PM Nastase and many lesser party leaders. Nastase, PSD Vice Chairman and former FM Cristian Diaconescu, former PSD Secretary General Miron Mitrea, and Constanta Mayor Radu Mazare all quickly announced their candidacies for the chairmanship. Facing an uphill battle, Geoana worked with Bucharest PSD chapter chairman Marian Vanghelie to re-engineer the PSD electoral system in his favor. A week before the convention most pundits considered Geoana the inevitable winner.

¶3. (SBU) On February 15, Nastase announced that he would not attend what he termed "a travesty of a convention" whose rules Geoana had clearly rigged. PSD vice chairman Victor Ponta immediately announced his own candidacy and a day later his father-in-law, Ilie Sarbu, former Minister of Agriculture in the PSD-PDL government of 2008-2009, switched his support from Geoana to Ponta. Former President Ion Iliescu added to the protests February 17, announcing that he was resigning as honorary PSD chairman and ceasing all party activity in protest of Geoana's machinations. There ensued an avalanche of local party branches and individuals throwing their support to Ponta, similar to the rapid evaporation of Geoana's apparent lead in the presidential contest in December 2009. By the time the convention opened at midday Saturday, February 20, all bets were off.

ANOTHER ELEVENTH HOUR DEFEAT FOR GEOANA

¶4. (SBU) As the delegates prepared to vote Geoana gained the key support of Diaconescu, who withdrew from the race. Mitrea and Mazare also dropped out but endorsed Ponta. This left only Geoana and Ponta in a head-to-head battle. The decisive moment came when Iliescu took the stage and lambasted the current party leadership, deplored the sorry state of the organization, and expressed the hope that delegates "know what they have to do." The ensuing balloting and vote count were an emotional roller coaster. Geoana was

well ahead at midnight, but by 3 a.m. Ponta had won by a 75-vote margin, 856 to 781.

¶15. (C) Geoana's defeat reflected the PSD's rank-and-file sentiment that with his losing streak Geoana had become a liability which no opposition party could afford to keep on. In his victory address, Ponta vowed to restore the PSD to its former glory and acknowledged all the key party figures who had contributed to his victory. He also assured that Geoana would continue as President of the Senate.

PONTA,S AGENDA

¶16. (SBU) In January 2010, though not then a candidate for party chairman, Ponta had proposed his "Fair Romania" agenda for the rebuilding of the party. Its main points included the establishment of left-oriented media outlets, greater attention to the diaspora, transparent funding, enhanced outreach to the outside world, accounting for the "grey spots" in PSD's past, and recruiting of youth, yuppies and the "new working class" to demonstrate the party has completely shed its communist past.

¶17. (C) Ponta's challenge is all the greater given that the 15-person national council elected with him includes a majority of Geoana supporters. Re-elected Secretary General Liviu Dragnea, formerly a Geoana ally, will now be Ponta's right-hand man. Ponta's degree of success will depend heavily on the dynamics of the diverse new team that is still forming around him.

AN UNHELPFUL PAST?

¶18. (C) Observers noted the irony of Ponta, a former

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prosecutor, leading a political party riddled with corrupt senior figures. A law graduate, Ponta was hand-picked in 2001 by then PM Nastase to lead the Government Audit Agency. However, Ponta is considered a staunch opponent of actual judicial reform. Most relevant NGO organizations abhor him and his hatred for former Justice Minister Monica Macovei - a hard charging reformer - is notorious. He believes that the focus on high-level corruption is misplaced and that reform should instead focus on petty corruption.

LOW EXPECTATIONS FOR NOW

¶19. (C) COMMENT. Ponta's indebtedness to the old-guard, his youth, his Nastase connection, and the challenge of accommodating single-handedly the multiple interest groups in PSD make the prospects slim for any real PSD reform. His victory can be considered Nastase's comeback and certainly Iliescu's revenge against Geoana. It is too early to judge whether Ponta's election represents a new start for PSD or just a front for the same old Iliescu-Nastase shenanigans of the past. We do not expect the party's strategic alliances to change any time soon, but there may well be a shift in tactics vis-a-vis PDL and PNL. Ponta does not share PNL leader Crin Antonescu's instinctive dislike of President Basescu, which may mean he will cooperate with PDL on a case-by-case basis. Moreover, Ponta's youth presents a challenge to the 50 year-old Antonescu, who has to date branded himself as the "young candidate."

GUTHRIE-CORN